

RECORDATION NO. 24506

JUN 27 '03

1-24 PM

## FIRST UNION RAIL

SURFACE TRANSPORTATION BOARD

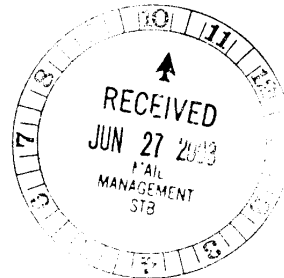
VIA UPS 2<sup>nd</sup> DAY AIR

One O'Hare Centre  
6250 River Road, Suite 5000  
Rosemont, IL 60018

June 25, 2003

Tel 847.318.7575  
Fax 847.318.7588

Mr. Vernon E. Williams  
Surface Transportation Board  
1925 K Street, N.W., Room 704  
Washington, DC 20423-0001  
Attn: Recordation of Railroad Equipment



**Re: Memorandum of Lease Agreement**

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) originals and one (1) copy of a Memorandum of Lease Agreement, dated March 28, 2003, a primary document as defined in the Board's Rules for the Recordation of Documents. Please file this Memorandum of Lease as a primary document since a Master Lease has not been filed with the Surface Transportation Board. The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation  
One O'Hare Center  
6250 River Road, Suite 5000  
Rosemont, IL 60018

Lessee: Watco Transportation Services, Inc.  
315 West 3<sup>rd</sup> Street  
Pittsburgh, KS 66762

A description of the railroad equipment covered by the enclosed document is twenty-seven (27) 4600/4750 cubic foot covered hopper cars, with NOKL marks (See Exhibit A for numbers).

A short summary of the document to appear in the index follows: Memorandum of Lease

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5342. Thank you for your cooperation in this matter.

Very truly yours,

Amy Romo  
Manager of Documentation

Enclosures

(WACO002)

RECORDATION NO. 24506 AND

JUN 27 '03

1-24 PM

ASSGN. NO. WACO002

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the \_\_\_\_\_ day of MARCH 28, 2003, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Watco Transportation Services, Inc. ("Lessee"), a Kansas corporation.

**WITNESSETH:**

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of MARCH 18, 2003, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 1 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of January 28, 2003, and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

**LESSOR:**

FIRST UNION RAIL CORPORATION

ATTEST:

By: Richard F. Seymour  
Name: RICHARD F. SEYMOUR  
Title: Vice President Sales & Marketing

By: K. A. Domrowski  
Name: K. A. Domrowski

Title: DIRECTOR OF DOCUMENTATION Executed on this 1<sup>st</sup> day of April, 2003.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

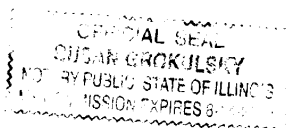
I, SUSAN GROKULSKY, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 1<sup>st</sup> day of APRIL, 2003.

Susan Grokulskey  
Notary Public

My Commission Expires:

8-14-2004  
(Notary Public)



**LESSEE:**

WATCO TRANSPORTATION SERVICES, INC.

By: BECKY FEARMONTI

Name: Becky Fearnonti

Title: MANAGER, MARKETING

ATTEST:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Executed on this 28<sup>th</sup> day of MARCH, 2003.

[CORPORATE SEAL]

STATE OF KANSAS

COUNTY OF CRAWFORD

I, TAMERA HANSON, a Notary Public of the County and State  
aforesaid, certify that BECKY FEARMONTI personally appeared before me this day  
and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 28<sup>th</sup> day of MARCH, 2003

Tamera Hanson  
Notary Public

Commission Expires:

Nov. 12, 2004  
(Notary Public)

**EXHIBIT A**  
**to**  
**MEMORANDUM OF LEASE**

NUMBER OF CARS: Twenty-seven (27)

DESCRIPTION OF CARS: 4600/4750 cubic foot capacity covered hopper cars, 263,000 to 268,000 gross rail load, with trough hatches and gravity gates.

CAR NUMBERS:

NOKL	818905
NOKL	818922
NOKL	818934
NOKL	818969
NOKL	818978
NOKL	818979
NOKL	819166
NOKL	819172
NOKL	819175
NOKL	819176
NOKL	819177
NOKL	819179
NOKL	819186
NOKL	819187
NOKL	819195
NOKL	819198
NOKL	819202
NOKL	819204
NOKL	819206
NOKL	819212
NOKL	819214
NOKL	819215
NOKL	819219
NOKL	819221
NOKL	819222
NOKL	819229
NOKL	819232